Whiteside & Associates

TRANSPORTATION REPORT

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To: Montana Wheat & Barley Committee

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PRESIDENT URGES CONGRESS TO TAKE QUICK ACTION ON EXPIRING TRANSPORTATION PROGRAMS

President Obama called on Congress to quickly approve "clean" extensions of critical transportation funding programs that are set to expire at two points in September, to avoid what could be huge disruptions to construction jobs.

With Transportation Secretary Ray LaHood at his side, Obama in a Rose Garden statement said he will ask lawmakers when they return next week to quickly extend federal aviation programs that expire in mid-September, and the larger Highway Trust Fund and Surface Transportation Programs that expire Sept. 30.

Congress in late July let Federal Aviation Administration funding lapse briefly, throwing 4,000 FAA employees out of work along with tens of thousands who were working on various FAA-funded airport projects. That example raised fears that a contentious Congress could do the same again with the FAA authority, and even with the surface programs.

Transportation industry officials and state government officers who use federal funds for much of their road and bridge projects have warned that any repeat of that delay in the surface programs could disrupt thousands of projects nationwide as the construction season winds down this fall.

BNSF ST. JOSEPH. MO SUBDIVISION TO RESUME TRAIN SERVICE SEPT. 3 WHILE UP IS LIKEWISE STARTING TO GET AHEAD OF THE FLOOD DELAYS

BSNF Railway will reopen an important flooded out track segment across the Missouri River on Sept. 3, five days earlier than planned.

Four of the five bridges in the St. Joseph subdivision have been restored, and work on the fifth bridge is nearly complete, said John Lanigan, the company's chief marketing officer. Recently, <u>BNSF added \$300 million</u> to its 2011 capital budget, partly to raise or rebuild bridges and other flood-disrupted infrastructure.

BNSF's use of several normally busy sections from Omaha, Neb., to St. Joseph, Mo., has been out most of the summer, as the Missouri reached record flood levels in some areas. That has forced <u>BNSF and other railroads</u> to detour traffic far away from the most direct routes, delaying many shipments.

But Lanigan said in a <u>special customer notice</u> on the BNSF Web site that reopening the St. Joseph subdivision next week "will allow us to start returning rerouted traffic to normal routing."

The railroads nearby Omaha and Napier track zones will remain out of service until late September or early October, depending on how fast floods recede.

As crews finish work on the fifth bridge, he said, "we are preparing to implement our action plans to improve your service as quickly as possible."

That will help boost average train velocity across a much broader area as well. "Not only will you see improved service for traffic that returns to the St. Joseph subdivision," Lanigan said, "but you will also see service improve in those areas that absorbed the rerouted traffic, such as Colorado and Illinois."

On the UP side, the NE/IA river crossings including the Missouri have provided problems all summer. They are replacing one bridge and the railroad has raised many miles of track by up to 3 feet to accommodate the higher water levels. The UP has stated that in this emergency they have been able to work out alternative routing to minimize the slow downs and unlike previous natural emergencies - while the overall velocity has suffered - they are maintaining their service levels and starting to improve transit speed as the summer comes to a close.

Both railroad systems continue to suffer from the prolonged heat in Texas - dry soils are opening cracks undermining roadbed, and rails are buckling from heat.